

# Retired Air Force General Named As Central Figure in Secret Talks

The following article is based on reporting by Jeff Gerth, Fox Butterfield, Stephen Engelberg and Bernard E. Trainor and was written by Mr. Engelberg.

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WASHINGTON, Dec. 8 — Secretary of State George P. Shultz today identified a retired Air Force officer, Maj. Gen. Richard V. Secord, as a central figure in the Reagan Administration's secret diplomacy with Iran.

It was the first time that a senior Administration official had publically linked General Secord to the American dealings with Iran.

It was also disclosed that the Justice Department, in its quest for information on foreign bank accounts used in the diversion of millions to the Nicaraguan rebels, had told the Swiss authorities that General Secord was under investigation for fraud.

Congressional aides said they were mystified about why the White House would rely on a retired general to negotiate to free American hostages held in the Middle East, especially when some of the talks were deemed so sensitive that they were apparently kept from Mr. Shultz and the State Department.

The news came as business associates of General Secord and Administration officials disclosed further information today about his close ties to the Administration. One official said that in the initial stages of the talks with Iran, the White House rebuffed an attempt by some Administration officials to curtail the general's role.

Congressional investigators and the Justice Department were said to be closely examining General Secord's

participation in three overlapping areas: the secret diplomacy with Iran; the possibly illegal dealings to funnel arms and aid to the rebels, known as the contras, and how Mr. Secord used his diplomatic activities to further his private business dealings in the Middle East.

## Iranian Business Partner

The Congressional investigations are looking specifically into whether Mr. Secord and his business partner, an Iranian named Albert Hakim, provided the banking expertise and logistical help needed to divert millions of dollars from the proceeds of the Iranian arms sales to the Nicaraguan rebels.

Administration officials and several people familiar with the informal network to supply arms to the rebels have identified General Secord as the key organizer who brought together former intelligence officials, pilots and military veterans.

General Secord also may have been in direct contact with the White House. In early 1985, according to an associate, General Secord gave a party at his house that was interrupted by what was described by a family member as a call from President Reagan. General Secord then excused himself and said he had to go to the White House for a meeting with the President, the associate said.

It could not be verified whether the call was made by President Reagan, or whether any such meeting took place. Several people who know General Secord say it is possible that he staged the incident to impress business contacts. But they said it was also possible that General Secord could have been summoned for a meeting at the White House.

A White House official said: "I simply have no idea whether it happened. I think it's highly unlikely the President would call General Secord directly, but that he could have received a call from the White House is another matter."

The official said "It's well established that General Secord and Colonel

North had a close relationship." He said it was not known whether Mr. Reagan had ever met or spoken with General Secord.

In addition the general participated in a discussion with a former top official of the Central Intelligence Agency, Thomas G. Clines, and several other people later linked to the private network to aid the contras, according to a business associate of General Secord. The associate said they met at Clyde's, a bar in a Washington suburb in Virginia frequented by present and former intelligence officials.

Mr. Shultz, appearing today before the House Foreign Affairs Committee, said General Secord was in close contact with John Kelly, the American Ambassador to Beirut, on the weekend of Nov. 2, 1986, when David P. Jacobsen, one of the hostages, was released.

Mr. Shultz quoted from a cable by Mr. Kelly that described "numerous conversations with Lieut. Col. Oliver North and Richard V. Secord relating to the hostage negotiations with Iran."

## North's Name Also Raised

Colonel North was dismissed from his post at the National Security Council after the Reagan Administration said he was solely responsible for arranging money to be sent to the contras. Administration officials said he and General Secord were friends who had grown close when they joined in lobbying Congress over the sale of electronic warfare planes to Saudi Arabia.

The contents of the discussions from Oct. 30 to Nov. 4 between Ambassador Kelly, General Secord and Colonel North were relayed to Washington through C.I.A. communications channels. Copies were sent to the agency's headquarters and to the White House Situation Room, but were not shared with the State Department, Mr. Shultz said.

General Secord's lawyer, Tom Green, said today that he could not comment on Mr. Shultz's statements about Mr. Secord's participation in the Iran negotiations or the Justice Department's action in Switzerland. "We have a criminal investigation pending," Mr. Green said. "I can't get into any of that."